

**MINUTES OF THE  
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE  
THURSDAY, JANUARY 19, 2006  
Room W135, West Office Building, State Capitol Complex**

Members Present:        Sen. Howard Stephenson, Co-Chair  
                              Rep. Gordon E. Snow, Co-Chair  
                              Sen. Beverly Evans  
                              Sen. Karen Hale  
                              Rep. J. Stuart Adams  
                              Rep. Ron Bigelow  
                              Rep. Duane E. Bourdeaux  
                              Rep. LaVar Christensen  
                              Rep. Tim M. Cosgrove  
                              Rep. James A. Ferrin  
                              Rep. Julie Fisher  
                              Rep. Karen W. Morgan  
                              Rep. Stephen H. Urquhart

Members Excused:       Pres. John Valentine

Members Absent:        Rep. Greg Hughes

Staff Present:            R. Michael Kjar, Legislative Fiscal Analyst  
                              Ben Leishman, Legislative Fiscal Analyst  
                              Cherie Schmidt, Secretary

Public Speakers Present: Dr. Patti Harrington, State Superintendent USOE  
                              Patrick Ogden, Associate Superintendent USOE  
                              Joan Patterson, Director of Educator Licensing  
                              Blaine Petersen, Director, Utah State Office of Rehabilitation  
                              Ralph Hill, DBS Transition  
                              Christi Mortensen, Legislative Coalition for People with Disabilities  
                              Debra Mair, Director UILC  
                              Justin Olsen, LCPD  
                              Sandra Jones, LCPD  
                              Todd Stephens, LCPD  
                              Melissa Hansen LCPD  
                              Karl Wilson, Director of Special Education USOE  
                              Linda Rutledge, Superintendent USDB  
                              Todd Hauber, Finance Director USDB  
                              Jean Thomas, USDB Interpreter

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Stephenson called the meeting to order at 2:20 p.m.

1. Public Education Agencies Budget Requests - Ben Leishman, Legislative Fiscal Analyst, provided an introduction to this agenda item. In the *Budget Analysis FY 2007* under Tab 9 Utah State Office of Education page 3, Mr. Leishman stated that during the 2005 General Session, the Legislature appropriated \$2,570,900 in one-time General Fund revenue to support the provisions of H.B. 249 "Carson Smith Special Needs Scholarships." The USOE received \$2,470,900 to provide for the student scholarships and \$100,000 to support program administration. Scholarships awarded from the \$2,470,900 in General Fund revenue appropriated during the 2005 General Session have totaled approximately \$690,000. The State Office of Education requests that the Legislature appropriate an additional \$690,000 in one-time General Fund revenue to bring the available scholarship amount to the level appropriated during the 2005 General Session. Further, the USOE requests that they be granted non-lapsing authority for the remaining \$1,780,900 in General Fund revenue to provide scholarships in FY 2007. Without further action, the remaining revenue appropriated in FY 2006 for the Carson Smith Special Needs Scholarships will lapse at the end of the fiscal year. The FY 2007 base budget does not include this revenue. A recommendation is for the Legislature to consider providing non-lapsing authority to the State Board of Education for the General Fund Revenue appropriated to support the Carson Smith Scholarship Program.

Reference was also made to the Budget Brief - USOE Internal Service Fund & Indirect Cost Pool. The Utah State Office of Education operates two Internal Service Fund (ISF) Programs. The State Board of Education ISP supports the Board's print shop and mailroom. The Office of the Superintendent - Indirect Cost Pool funds those programs and individuals who administer the State Office of Education. It supports administrative, accounting, budgeting, purchasing, and government liaison functions of the USOE.

In the Internal Service Fund Rates, the USOE requests an increase in the labor rate for the print shop from \$17 to \$19 to offset increases in labor costs.

Current rates for the Indirect Cost Pool approved by the federal government are 12.6 percent for restricted funds and 15.1 percent for unrestricted funds. The FY 2007 rates are expected to be 2 percent of the current rates. Because the ICP rates could increase or decrease by as much as 2 percent, the Legislature may wish to approve the current rates plus 2 percent to accommodate any change.

Mr. Leishman also discussed the Issue Brief - Educator Licensing Fees. Last year the Legislature took the position that the Educator Licensing section of the USOE should be funded entirely from fee revenue. This brings the division in line with other fee agencies. The USOE has requested \$113,000 in ongoing Uniform School Fund revenue to support

teacher quality functions. USOE has also requested \$267,000 in Uniform School Fund revenue to ensure that all beginning alternative route licensure teachers receive intensive training and provide supervision and mentoring as they begin teaching. The Analyst requested that the State Board of Education provide a fee schedule that would produce sufficient revenue to support these functions of the Educator Licensing Section without reinstating a state appropriation. This fee schedule is found in Attachment A of this Issue Brief. The Analyst recommends that the Legislature adopt this fee schedule.

The next Issue Brief discussed was Staffing Statewide Programs and Functions. This brief details staffing concerns at the State Office of Education expressed by the State Board of Education. These concerns include hiring additional staff to provide support to key programs and addresses employee turnover through providing salary adjustments for the specialists at the USOE. The Analyst recommends \$112,000 in an ongoing general fund to support the ongoing administration functions associated with the Carson Smith Special Needs Scholarship Program.

Mr. Leishman discussed the Issue Brief - U-PASS Assessment Costs. This brief provides details of an issue raised by the State Board of Education regarding several components of the U-PASS Program. The Analyst recommends that the Subcommittee evaluate the specific U-PASS components that have been funded with surplus NCLB revenue and other requests. The Analyst further recommends that the Subcommittee prioritize among other items before this Subcommittee, \$3.4 million in ongoing Uniform School Fund revenue to support U-PASS assessment costs.

Dr. Patti Harrington, Superintendent USOE, discussed the need for an assistant to the existing full-time auditor. The Board requests an appropriation of \$70,000 in ongoing Uniform School Fund revenue that will allow the Board to conduct more audits and better evaluate program performance and compliance by the districts.

With recent emphasis on the impact pre-kindergarten and full-day kindergarten have on student performance, the State Board of Education requests funding to hire a full-time Pre-Kindergarten specialist at the State Office of Education. The Board requests an ongoing Uniform School Fund appropriation of \$131,200 to hire this specialist.

The State Board of Education also requests that the Legislature provide \$60,000 in ongoing Uniform School Fund revenue to support program administration and \$306,000 in ongoing Uniform School Fund revenue to provide salary adjustments to select education specialists.

Patrick Ogden, Associate Superintendent USOE, provided a handout to the Committee which lists in detail USOE Assessment Costs. Total funding request from USOE is \$3,456,300.

Joan Patterson, Director of Educator Licensing, provided a handout entitled "Improving Teacher Quality State Grants Non-Regulatory Guidelines." NCLB Guidelines for Reporting ARL candidates as Highly Qualified include four criteria. The USOE ARL Program meets two of the four criteria and partially meets part of another criteria. The USOE ARL Program has no means to encourage or to verify one of the criteria without funding to pay for training the mentors and to pay the mentors. The \$267,000 request would offset the cost of mentors for 100 of the new ARL candidates. Another handout was provided showing Out-of-State Fee Licensing Comparisons.

Blaine Petersen, Director of the Utah State Office of Rehabilitation, discussed the USOR Building Blocks. A handout was given to the Committee that summarizes these blocks. The following is a summary of the USOR Building Block funding requests:

• Vocational Rehabilitation	\$612,000
Transition Services	
• Division of Services for the Deaf and Hard of Hearing	\$108,000
Maintenance & Operations	
Case Management Technician	
• Independent Living	\$350,000
• Benefits Planning	\$158,400
• Division of Services for the Blind and Visually Impaired	<u>\$62,503</u>
<b>TOTAL REQUESTED AMOUNT</b>	<b>\$1,290,903</b>

Also requested was a one-time request for Assistive Technology of \$500,000.

Testimony was given by the following individuals concerning the need for funding of these block grants:

Ralph Hill - Transition Services  
Christi Mortensen - Division of Services for the Deaf and Hard of Hearing  
Debra Mair - Independent Living  
Justin Olsen and Sandra Jones - Benefits Planning  
Todd Stephens - Division of Services for the Blind and Visually Impaired  
Melissa Hansen - One Time Request Assistive Technology

Ben Leishman, Legislative Fiscal Analyst, referred to *Budget Analysis FY 2007* Tab 10 Utah State Office of Rehabilitation. The Issue Brief - Vocational Rehabilitation provides information on three Vocational Rehabilitation programs identified by the State Board of Education. These programs provide direct services to disabled individuals. These briefs give details on funding requests. The Committee also received at the beginning of the Legislative Session a Significant Factors Document that lists the Agencies main requests. Many of these requests are due to changes in federal regulations.

The Issue Brief - Independent Living Centers was also discussed. This brief highlights the history of providing cost of living adjustments (COLA) to Utah's Independent Living Centers and FY 2007 COLA estimates. The Analyst recommends that the Legislature consider providing ILC cost of living adjustments at the same percent increase that is provided to other contracted service providers. A 1 percent COLA increase would cost approximately \$13,000.

Mr. Leishman discussed the Issue Brief - Community Center for the Deaf. This brief details two budget requests submitted by the division. The recommendation to the Committee states that they may wish to evaluate the request for \$75,000 to Uniform School Fund revenue to assist the Sanderson Community Center with building operations and maintenance and prioritize this item among the other requests before the subcommittee. In addition, the Subcommittee may wish to request that the Utah State Board of Education evaluate the usage of the community center, the potential impact of implementing a fee-for-use system to help recoup some of the costs associated with hosting community activities, and report back to the Subcommittee before the 2007 General Session.

Mr. Leishman referred to Tab 11 Utah Schools for the Deaf and Blind. The two main issues with the Utah Schools for the Deaf and Blind as far as budgeting increases are the impact associated with the merging of the Jean Massieu Charter School and with teacher salary adjustments.

The Issue Brief - Deaf Interpreter Support was also discussed. This brief summarizes a request by the Utah Schools for the Deaf and Blind to address issues of deaf interpreter retention and recruitment. The USDB has requested \$200,000 in ongoing Uniform School Fund revenue to increase deaf interpreter compensation. The Analyst recommends that the Subcommittee may wish to evaluate the compensation levels of the deaf interpreters at USDB and prioritize the requested \$200,000 in ongoing Uniform School Fund revenue among the other items before the subcommittee. Further, the Analyst recommends that the Subcommittee request that the Department of Human Resource Management conduct a market study of compensation among state agencies, schools districts, and the private sector for deaf interpreters.

In reference to the Issue Brief - USDB Teacher Salary Adjustments, Mr. Leishman explained that the Utah State Office of Education and USDB Administration worked together to calculate the USDB Teacher Salary Adjustments for the upcoming year. The required statutory increase for FY 2007 is 2.82 percent or \$215,000. The Analyst recommendation is for the \$215,000 in Uniform School Fund revenue to provide for the statutory USDB Teacher Salary Adjustments is included in the employees' compensation package that will be considered by the Legislature. The Analyst recommends that the Subcommittee prioritize \$191,600 in Uniform School Fund revenue to provide step and lane increases for teachers at USDB.

Mr. Leishman also explained the Issue Brief - Jean Massieu Integration. This brief provides information on the budgetary impacts associated with the merger of JMS and the Utah Schools for the Deaf and Blind. USDB has requested \$745,600 in supplemental one-time School Fund revenue to support the increased costs of merging with JMS. As in FY 2006, this revenue will support building lease costs, student transportation, and employee salaries. The Analyst recommends that the Subcommittee prioritize \$745,600 to provide FY 2006 supplemental costs mentioned above. Further, the Analyst recommends that the Subcommittee prioritize \$114,000 in one-time Uniform School Fund revenue for FY 2007 to cover the costs the building lease and \$631,600 in ongoing Uniform School Fund revenue for FY 2007 to cover the increased costs of student transportation and employee compensation. Legislative action would also include a recommendation to the Capital Facilities and Administrative Services Appropriations Subcommittee that the requested USDB Connor Street Replacement Building be considered and prioritized.

Karl Wilson, State Director of Special Education, introduced to the Committee Linda Rutledge, Superintendent of USDB and Todd Hauber who is the Finance Director of USDB. Ms. Rutledge spoke and introduced Mike Holland who is the Program Administrator for JMS and Jean Thomas who is a USDB Interpreter and Communications Specialist. Handouts were provided that detail the USDB Building Block Requests. The following is a list of those building blocks and the requested funding:

- USDB Step and Lane Increase Ongoing - \$212,876
- USDB/JMS Integration Ongoing - Cost \$745,600
- USDB Educational Interpreter Pay Increase - Ongoing - Cost \$255,000

2. Committee Business - Committee Co-Chair Snow further explained the motion made on January 18, 2006 by Sen. Hale. Sen. Hale moved to include the following in S.B. 3 Minimum School Program Base Budget Amendment:

Line 59 - Add 699 Additional Weighted Pupil Units and equivalent funding  
Line 61 - Add 30 additional Weighted Pupil Units and equivalent funding

Those voting in favor were Sen. Hale, Rep. Snow, Rep. Adams, Rep. Bourdeaux, Rep. Cosgrove, Rep. Ferrin, and Rep. Morgan. Those voting against were Sen. Stephenson and Rep. Christensen. Absent at the time of voting was Rep. Fisher. This motion tied in the Senate and passed in the House. The information that was given to Committee

Co-Chair Snow today indicates that the motion passed the Committee. This is a correction of the announcement made in the previous January 18, 2006, meeting that the motion had failed.

3. **MOTION:** Sen. Stephenson moved to adjourn at 4:40 p.m.

Minutes were reported by Cherie Schmidt, Secretary

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Sen. Howard Stephenson, Committee Co-Chair

Rep. Gordon Snow, Committee Co-Chair